

ANDACOLLO MINING COMPANY LIMITEDP R O S P E C T U S

For filing with the Ontario Securities Commission under the provisions of Part VII of The Securities Act, being Chapter 351 of The Revised Statutes of Ontario, 1950.

JAN 27 1959

- A. ANDACOLLO MINING COMPANY LIMITED, hereinafter referred to as "the Company", has its Head Office at Room 1507, 372 Bay Street, Toronto 1, Ontario, Canada.
- B. The Company was incorporated by Letters Patent under the authority of The Corporations Act, 1953, (Ontario) dated September 11, 1958.
- C. (a)

<u>Officers and Directors</u>	<u>Name in Full and Occupation</u>	<u>Address in Full</u>
President and Director	Howard Steven Strouth, Mining Executive	124 West 79th Street, New York City, N.Y., U.S.A.
Director	Jack Middleton Cunningham-Dunlop, Professional Engineer	17 Ashley Road, Toronto, Ontario
Director	Colonel Jack Bernard Dunn, Sales Executive	801 Bradford Avenue, Westfield, N.J., U.S.A.
Director	Douglas Henderson, Stock Broker	69 Haileybury Drive, Scarborough, Ontario
Director and Secretary	Gordon McLaughlin, Q.C., Solicitor	168 Valley Road, Willowdale, Toronto, Ontario
Treasurer	Maureen Rosina Sanders Secretary	Apartment 508, 2 Regal Road, Toronto 10, Ontario.
- (b) Howard Steven Strouth, 124 West 79th Street, New York City, N.Y., is the promoter of the Company.
- D. The auditor of the Company is Floyd A. Stern, 97 Eglinton Avenue East, Toronto, Ontario.
- E. Crown Trust Company, 302 Bay Street, Toronto 1, Ontario, is the Registrar and Transfer Agent of the Company.
- F. The Company has an authorized capital of 5,000,000 shares without nominal or par value, of which there are issued, outstanding and fully-paid 900,005 shares. The 5,000,000 shares shall not be issued for a consideration exceeding the sum of \$3,000,000.00.
- G. There are no bonds or debentures issued or outstanding nor does the Company propose to issue any.
- H. 810,000 shares are held in escrow by Crown Trust Company, subject to release pro rata only with the consent of the Directors of the Company evidenced by a resolution, and of the Ontario Securities Commission, and further subject to alienation, hypothecation and/or transfer within the escrow on the written consent of the Ontario Securities Commission.
- I. Five shares have been sold for cash to date at One Dollar (\$1.00) per share and no commissions were paid upon the sale of the said shares.

- J. No other securities have been sold for cash to date.
- K. No shares have been issued or are to be issued and no cash has been paid or is to be paid to any promoter. Howard Steven Strouth, the promoter of the Company has received the 900,000 vendor shares mentioned in paragraph L.
- L. By agreement dated October 9, 1958, entered into between Howard Steven Strouth, 124 West 79th Street, New York City, N.Y., and the Company, the Company has acquired from the said Howard Steven Strouth 198,000 fully-paid shares in the capital stock of Compania Minera San Felipe, a body corporate incorporated under the laws of Chile by Letters Patent dated July 18, 1958, and having an authorized capital of 200,000 shares of the par value of 1 peso each. The remaining 2,000 shares of the authorized capital are issued to the directors who constitute the board of Compania Minera San Felipe. Compania Minera San Felipe, with Head Office at 2035 Compania, in the City of Santiago, Chile, is the registered owner of the mining property known as the Andacollo Mine, situate in the Province of Aconcaqua, Chile, about 15 miles from San Felipe, the capital of the Province and which is distant some 78 miles from Valparaiso. The property comprises approximately 212 acres.

The consideration paid by the Company to the said Howard Steven Strouth in payment for the said shares of Compania Minera San Felipe is 900,000 fully-paid and non-assessable shares of the Company.

No person or company has received or is to receive from the said Howard Steven Strouth a greater than five per cent interest in the share consideration received by him.

- M. The particulars relating to the property of Compania Minera San Felipe (hereinafter in this paragraph M referred to as "the property") are as follows:-
1. The means of access to the property are set out in detail in the report of Mowbray A. Twidale, Mining Engineer, dated August 20, 1958, accompanying and forming part of this prospectus.
 2. Details of the underground and surface exploration and development are set forth in detail in the report of the said Mowbray A. Twidale. There is no underground or surface plant and equipment.
 3. The property is situate in an active mining area as manifested in the accompanying report of Mowbray A. Twidale wherein it is stated that four mines were operating in the area and one custom milling plant. The Andacollo mine has been developed by previous owners to a limited extent. The report deals fully with the prior work done and the ore values established by sampling.
 4. No work has been done nor improvements made by the present management of the Company, save and except sampling of the ore, road improvements and cleaning and timbering the underground workings.
- N. There have been no options or sub-options and no underwriting or sub-underwriting agreements entered into by the Company and none are proposed to be entered into at the present time. An amending statement will be filed in the event that any such agreements or options are subsequently given.

The Company proposes to sell its shares to the public through the medium of registered security-dealers as agents, and the Company will pay such security-dealers the usual rates of commission as set by the Toronto Stock Exchange for mining companies or at a commission not exceeding 25%. The Company will bear no cost of distributing its shares in this manner.

The Company also intends to sell its shares to the public through its officers under the authority of a Security Issuer's registration and to

pay commissions not exceeding 25% of the proceeds of the sale of such shares. The minimum price per share to the Company's treasury is ten cents per share.

- O. Development and exploration plans of the management will be in accordance with the recommendations contained in the report of Mowbray A. Twidale, dated August 20, 1958, accompanying and forming part of this prospectus. The Company proposes expending the major part of the moneys to be received from the sale of its shares in implementing the recommendations contained in the said report. Ordinary administration expenses will also be satisfied out of the said moneys.
- P. The estimated amount of preliminary expenses of the Company is \$5,000.00 on administration account, including the incorporation and organization of the Company, the issue and escrow of shares and the preparation and filing of this prospectus and the financial reports supplemental thereto. No amount has been expended by the Company on either account to date.
- Q. There is no indebtedness to be created or assumed other than in the ordinary course of business which is not shown in the consolidated balance sheet of the Company and its subsidiary prepared by the Company's auditor as of October 20th, 1958, accompanying and forming part of this prospectus.
- R. (i) The business in which each director and officer of the Company has been engaged during the past three years is:-

Howard Steven Strouth

Is a mining executive. During the past six months has been engaged as an independent Mines Consultant and is President of Andacollo Mining Company Limited. During two and one-half years prior thereto he was President and General Manager of Stanleigh Uranium Mining Corporation Limited, Toronto and Elliot Lake, Ontario, and during the latter period he was President of the Standard Mining Division of Standard Ore & Alloys Corporation of New York City, N.Y.

Jack Middleton Cunningham-Dunlop

Is a professional engineer and has acted as President and General Manager of New Calumet Mines Limited during the past three years. During the period commencing in 1955 until July, 1958, was President and General Manager of Hoyle Mining Company Limited and was a Director of other mining companies.

Jack Bernard Dunn

Has been engaged during the past three years as Director of Sales, Government Division, S. Gumpert Company, New York, N.Y., and Vice-President and Director of Haydu Electronics Inc., Plainfield, N.Y.

Douglas Henderson

During the past three years and more, he has been employed as a stock broker and as Vice-President of J. M. Easson & Company Limited, Stock Brokers, Toronto, Ontario, since 1956.

Gordon McLaughlin, Q.C.

During the past three years and more, he has practised his profession as a barrister and solicitor of the Supreme Court of Ontario.

Maureen Rosina Sanders

From February 1955 to February 1957, employed as Secretary by A. L. Dollond & Co., 121 London Wall, London E.C.2., England. From March 1957 to October 1957, as Secretary with Baker & Cuttler, 572a Bloor Street West, Toronto. Since October 1957, Secretary to Gordon McLaughlin, Q.C., 372 Bay Street, Toronto.

A REPORT UPON THE PROPERTY OF
COMPANIA MINERA SAN FELIPE.

- (ii) None of the officers and directors of the Company, other than Howard Steven Strouth, either directly or indirectly, has ever had any interest in the property owned by Compania Minera San Felipe, or the securities of that Company. The said Howard Steven Strouth assigned and transferred the 198,000 shares of the capital stock of the said Compania Minera San Felipe for the consideration as set forth in paragraph L.
- (iii) No remuneration has been paid to date to either officers and directors and it is not intended to remunerate the officers and directors during the current fiscal year.
- S. No dividends have been paid by the Company.
- T. Howard Steven Strouth, 124 West 79th Street, New York City, N.Y., by reason of beneficial ownership of securities of the Company is in a position to cause to be elected a majority of the directors of the Company.
- U. The Company knows of no arrangement as regards the purchase, sale or disposition of vendor shares. If notice of any arrangement shall come to the directors, an amending statement will be filed with the Ontario Securities Commission if the shares of the Company are then in the course of primary distribution. Vendor shares of the capital stock of the Company when freed as well as free vendor shares may be offered to the public at market prices but the proceeds of sales will not accrue to the treasury of the Company.
- V. There is no other material fact not disclosed in the foregoing.

DATED the 19th day of December, 1958.

The foregoing constitutes full, true and plain disclosure of all material facts in respect of the offering of securities referred to above as required by Section 38 of The Securities Act (Ontario) and there is no further material information applicable other than in the financial statements or reports where required.

DIRECTORS

Howard Steven Strouth
by his agent Gordon McLaughlin

J. M. Cunningham-Dunlop

Jack Bernard Dunn
by his agent Gordon McLaughlin

Douglas Henderson

Gordon McLaughlin

PROMOTER

Howard Steven Strouth
by his agent Gordon McLaughlin

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A REPORT UPON THE PROPERTY OF
COMPANIA MINERA SAN FELIPE.

The following "Summary Report" on the Andacollo Mine has been compiled from the reports, maps, letters and data supplied to me by Howard Steven Strouth. I found the information quite complete and fully expect the operation to develop into a profitable small tonnage mine. The geological vein structure and grade of ore dictates a small daily tonnage that will require careful and intelligent engineering and supervision.

The Property known as Andacollo Mine is composed of a parcel of 86 hectares, approximately 212 acres, located in the Province of Aconcaqua, some 15 miles from San Felipe, the capital and 5 miles from the village of Putaendo. The property is owned by "Cia Minera San Felipe" which will be a subsidiary of the Canadian Company "Andacollo".

The village of Putaendo is connected by rail and road with San Felipe which in turn is connected by rail and road with the port of Valparaiso some 78 miles to the west and the Trans Andean railroad to Buenos Aires in the east.

The property is located on a nose from a range of hills projecting into the El Canelillo valley called Cerro Rompeojota. The nose feature allows attack from three directions. The elevation of the valley is at 800 meters and the top of the nose or ridge in the vicinity of the ore-bearing veins is at 1180 meters. The surface of Cerro Rompeojota is generally steep and rocky with minor amounts of scrub brush. The rainfall is moderate limited to the winter season. The climate is mild, snow is seldom seen.

Access: The lower tunnel, Esperanza, is connected with Putaendo village by a road which will be improved. Putaendo village is served by a branch rail line from San Felipe 10 miles distant as well as a motor road. Electric power is available in San Felipe as well as a source of labour having some 25,000 inhabitants.

Labour and Equipment: The area is an old mining district, four mines operating at present and one custom milling plant, the Cia. Minera Fantini. Skilled labour is available and contractors capable of handling all mine operations. The miner's rate of pay is about \$2.50 per day and labour about \$1.50 per day which should be compared with Canadian rates of \$20.00 and \$14.00.

Mining equipment, Rock drills, compressors, mine cars, track, pipe, etc., are available at the coast for rent and purchase at a much lower rate than in North America. This makes it possible to carry on a small operation that will pay its way with little capital expenditure.

Political Position and Taxes: Chile being one of the largest world producers of Copper receives much of its National Income from mining operations and gives very favourable tax consideration to new operations. The tax amounts to some 2% of gross production. The political situation is stable. Two of the three directors of Cia. Minera San Felipe are Chileans each having held prominent positions.

Geology and Structure: The large disseminated Copper deposits of Chile are known throughout the world. The "porphyritic formation" which contains these deposits are made up of volcanics, pyroclastics, agglomerates and tuffs with interbedded limestones of Jurassic and Cretaceous age. The source of the mineralization is believed to be a large granodiorite batholith. The rocks of the Andacollo mine are of this "porphyritic formation" and the granodiorite outcrops not far away and it is reasonable to assume the origin of the copper-bearing veins of Andacollo is the same as the large disseminated deposits. The fissure veins cut the beds of the porphyritic formation and are exposed in the hillside and old workings of Andacollo. The strike is generally N.N.W. and dip to the west. A series of minor E-W faults displace the veins and the Canelillo Valley is considered a major thrust fault, the vein structure is found to the north beyond the fault on the Sauce, Rinconada and Nipa properties. The southern extension of the veins is unknown and warrants investigation.

The ore minerals are chalcopyrite, bornite, chalcocite and minor malachite with accompanying silver and gold. All adit exposures show considerable secondary enrichment the bottom of which has not been found. The main ore minerals are easily concentrated by flotation with a coarse grind.

Ore: Previous owners drove four adits into Cerro Rompeojota to search for and follow veins, three from the west flank and one from the east flank totalling some 1900 feet, of this some 650 feet exposed veins of potential ore grade. Some 2500 tons of ore were extracted. Samples over vein width ran from 9.2% Copper to 0.23% Copper and from 83 oz. of Silver to Nil silver and from 0.6 oz. of Gold to Nil Gold. When the Gold and Silver values increased the Copper values appeared to diminish. Further study may warrant mining some sections for Gold and Silver and other sections for Copper. The Copper appears to be the major economic mineral. The average of 13 samples from three adits showed an average length of 200 feet in each adit and width of 4.4 feet and grade of Copper - 2.77%; Silver 14 oz. and Gold - 0.1 oz. This does not represent a mining grade for it is believed that with careful sampling control and modern exploration methods a grade of 5% Copper can be mined over longer lengths. The correlation is difficult without a proper survey and geological mapping.

Rasmuss estimates 135,000 tons semi-proven ore and he and Sibley agree on 300,000 tons of probable ore from surface to the valley floor. Both agree that new adits will be advantageous and old workings should be used as little as possible. Thorough mapping and exploration, I am sure, will confirm these findings.

The vein deposit is most adaptable to selective mining and with such high copper content minerals such as chalcopyrite, bornite and chalcocite in the vein no difficulty should be had in maintaining a grade at least of 5% copper to the mill.

Concentration: The Andacollo property is most fortunate in having a customs mill, "Cia. Minera Fantini", some 15 miles away by truck road at San Felipe. This flotation mill is currently handling this type of ore and has vacant capacity of 20 tons per day. The Mill Superintendent Petroff estimates from experience the copper recovery on 3% copper ore will be 90% to 92% with a ratio of concentration of 17 to 1 yielding a concentrate of 50% copper 2.00 oz. silver and 0.5 oz. gold. The cost of concentrating will be \$4.00 per ton and can be paid for with concentrates. It will be to the advantage of Andacollo to make use of this vacant capacity as soon as possible, to retain it for the future. At a later date when a cash reserve has been accumulated and a positive ore reserve picture built up, consideration can be given to constructing a mill on the property.

The sale of concentrate is no problem, there are four buyers in the area and quotations for 50% copper concentrate run from \$169.20 per ton to \$226.75 per ton. An average of \$200.00 per ton is being used for calculation purposes.

Mining: The following information has been gathered from existing mines in the area:

Wages - Miners -	\$2.50 per day
Labour -	\$1.50 per day
Contract Mining	
(labour)	\$1.10 per ton
Drifting, total	\$7.60 per foot
Small mine costs	\$2.50 to \$3.00 per ton total
(assumed this does not include exploration.)	

It is estimated as follows:

Mining and development	\$2.50 per ton
Exploration	1.00 " "
Truck to mill	1.00 " "
Milling	4.00 " "
	<u>\$8.50 per ton</u>

Ratio of concentration on 5% copper ore will be 10 to 1 with 90% recovery. 11 tons ore required for 1 ton of 50% copper concentrate.

Cost of 11 tons ore @ \$8.50	\$93.50
Freight 1 ton concentrate to Valparaiso	3.50
Concentrate bags and handling	0.50
Total cost per ton concentrate	\$94.50
Sale price Phillip Bros. of New York	
at \$0.24 Copper	\$200.00
Less Chile tax of 2%	4.00
Revenue	\$196.00
Profit per ton Concentrate	\$ 98.50
Profit per ton Mine Ore	\$ 8.95

Recommendations: The previous operations, about 1914, were obviously carried out without the aid of modern machines, methods of exploration and present techniques. It is strongly advised that these be used to their full advantage.

For correlation purposes the areas of known veins should be mapped topographically and geologically. The existing workings should be similarly mapped on a more detailed scale of 20' - 1".

The surface exposures of veins as well as the exposures in underground workings should be channel samples at five foot intervals by experienced samplers under competent supervision.

With the above information plotted sections can be made that will clarify the faulting pattern and ore picture to such an extent that the search for ore by diamond drilling and drifting will be facilitated and expenditure kept to a minimum.

Diamond drilling as well as trenching and sampling will prove and delimit the ore exposures on surface. The walls of the existing underground workings should be explored with short holes for branch and parallel veins. Veins that have been crossed by previous workings should be explored for ore zones.

Potential ore zones below the Esperanza adit should be explored. It is feasible that the zone of secondary enrichment extends below this horizon and also that the zone of primary mineralization below the secondary enrichment will be of ore grade in which case the ore reserve picture has great potentialities.

It is recommended that the surface of the property be systematically prospected for unexplored veins and that a trial be made over existing veins to prove the Electro-Magnetic method of geophysical prospecting for mineral conductors. If this proves the veins to be conductors of electrical current the whole of the property should be so surveyed and conductors exposed and proven by trenching or diamond drilling.

The following summary estimates time and dollar requirements. Phase III can begin as soon as Phase I has outlined enough ore to be assured of continued production.

PROPOSED DEVELOPMENT

<u>Phase I.</u> 1-1/2 months.	
Survey and mapping, surface contours in vein and adit area; adit detail survey U.G.	
Composite map 100' - 1"; adit details 20' = 1". 7 miles @ \$300.	\$2,100.
Geological mapping, surface and U.G. plotting veins, faults, geology, etc.	1,500.
Sampling and plotting, all veins	1,500.
Electro-Magnetic surface survey trial only on known veins	500.

Phase I. cont'd

Supervision, Engineering and Assaying	2,500.
Tent, Camp, food, water, transportation	1,000.
Miscellaneous	<u>900.</u>
Total Phase I.	\$10,000.

Phase II. 1-1/2 months.

Diamond drilling 3000' @ \$5.00 (surface and U.G.)	\$15,000.
Surface E.M. survey (if warranted)	1,500.
Buildings, office, warehouse	3,000.
Supervision Eng. and assaying	<u>3,000.</u>
Total Phase II.	\$22,500.

Phase III. Mining.

Roads and surface development	\$10,000.
Equipment, rental or purchase	20,000.
Working capital 60 days @ \$200.	12,000.
Miscellaneous expense	<u>3,000.</u>
Phase III to attain 20 tons / day	\$45,000.

Summary: Andacollo can be considered a very favourable mining proposition. The ore is exposed and some 1900 feet of underground workings exist and can be used for early mining and are of great help in searching for more ore. The country is developed with good roads and services. There is an ample supply of experienced low cost labour. A customs mill in close proximity to the mine has available capacity for the ore. Initially at least the cost of milling can be paid for in concentrates. Equipment is available at a low rental or purchase price. The country of Chile is politically stable and taxes low. The climate is mild. There are competent engineers available as well as skilled miners and operators. With all these advantages plus modern methods of exploration, machines and techniques the operation has every chance of a long successful life.

"M. A. Twidale"

Dated at Montreal, Quebec,
August 20, 1958.

DECLARATION

I, Mowbray A. Twidale of the City of Montreal in the Province of Quebec do hereby certify that -

1. I am a Mining Engineer residing at 5 Parkside Place, Montreal 25, Quebec.
2. I am a graduate in Mining and Metallurgical Engineering of Queen's University with the degree of Bachelor of Science (1929).
3. I am a member of the Association of Professional Engineers of the Province of Ontario; a member of the Canadian Institute of Mining & Metallurgy and have been practising my profession for more than 20 years.
4. I have no personal interest, either directly or indirectly, in the properties or securities of "Cia. Minera S. Felipe" or the Canadian Company of "Andacollo", nor do I expect to receive any interest in the said properties or securities.
5. The statements contained in this report are based on investigations and studies made by me of the following reports - "Andacollo Copper Deposit in Central Chile" by Juan E. Rasmuss of Lima, Peru, dated July 30, 1958 and "Preliminary Report of Andacollo Property" by Joseph J. Sibley of Santiago, Chile and signed by John A. Pora, dated July 1, 1958 with accompanying maps and assay plans, letter from "Cia Minera Fantini" of San Felipe signed by Petroff, letters from Caga de Credito, Minero, Minerco, Dauchi Bursau Kaisha Ltda and Mauricio Hochschild y Cia, Ltda dealing with the purchase of concentrates. In addition to the above are included conversations with Mr. H. S. Strouth. The report is not based upon my personal examination of the property.

"M. A. Twidale"

Dated at Montreal, Quebec,
August 20, 1958.

ANDACOLLO MINING COMPANY LIMITED

and its subsidiary

COMPANIA MINERA SAN FELIPE

FLOYD A. STERN

CONSOLIDATED BALANCE SHEET AS AT OCTOBER 20, 1958

Chartered Accountant

97 Eglinton Ave. E.,
Toronto 12, Canada

November 25, 1958

To the Directors of,

ANDACOLLO MINING COMPANY LIMITED,

TORONTO, Ontario.

Gentlemen:

I have examined the Consolidated Balance Sheet of Andacollo Mining Company Limited and its subsidiary Compania Minera San Felipe as at October 20, 1958, and have received all the information and explanations which I required.

I have placed complete reliance on the Balance Sheet of Compania Minera San Felipe as reported on November 12, 1958 by Price Waterhouse Peat & Co., Santiago, Chile.

In my opinion, subject to the above, the accompanying Consolidated Balance Sheet is properly drawn up so as to present fairly the consolidated financial position of Andacollo Mining Company Limited and its subsidiary Compania Minera San Felipe as at October 20, 1958, according to the best of my information, the explanations given to me and as shown by the books of the parent company.

"Floyd A. Stern"

Chartered Accountant

NOTE: 1. The accounts of the Subsidiary Company have been converted at the rate of \$1.25 Canadian per 1,000 Chilean Pesos.

2. Cost is based on valuation of 100 per share given in 1954 of shares of the Parent company's capital stock under the agreement dated October 1, 1954 in connection with the purchase of 100,000 shares of the subsidiary company's capital stock.

Approved on behalf of,
The Board of Directors:

H. N. Cunningham-Drury, Chairman

Robert Cunningham

This is the report of the Chartered Accountant referred to in the report of the Directors dated November 25, 1958.

Floyd A. Stern

Chartered Accountant

ANDACOLLO MINING COMPANY LIMITED

and its subsidiary

COMPANIA MINERA SAN FELIPE

CONSOLIDATED BALANCE SHEET AS AT OCTOBER 20, 1958

ASSETS

Cash on hand and in bank	\$ 9,803.87
Mining properties, at cost to Subsidiary Company	1,299.39
Deferred incorporation and organization expenses	4,358.54
Excess of cost (Note 2) of Subsidiary's stock over book value thereof	<u>89,750.52</u>
TOTAL ASSETS	<u>\$105,212.32</u>

LIABILITIES

Provision for incorporation and organization expenses	4,285.25
Loans payable (Deferred) - Howard Steven Strouth	10,919.55
Interest of minority shareholders	<u>2.52</u>
TOTAL LIABILITIES	15,207.32

CAPITAL

Capital Stock

Authorized:

5,000,000 no par value shares, not to be issued for
a total consideration exceeding \$3,000,000.

Issued as fully paid:

<u>For cash -</u>		
5 shares	\$	5.00
For 198,000 shares of the Subsidiary Company's capital stock -		
<u>900,000 shares</u>	<u>90,000.00</u>	<u>90,005.00</u>
<u>900,005</u>		<u>\$105,212.32</u>

NOTE: 1. The accounts of the Subsidiary Company have been converted at the rate of \$1.26 Canadian per 1,000 Chilean Pesos.

2. Cost is based on valuation of 10¢ per share placed on 900,000 shares of the Parent company's capital stock issued under agreement dated October 9, 1958 in consideration of the purchase of 198,000 shares of the Subsidiary company's capital stock.

Approved on behalf of,
The Board of Directors:

"J. M. Cunningham-Dunlop" Director

"Gordon McLaughlin" Director

This is the Balance Sheet referred
to in my report to the Directors
dated November 25, 1958.

"Floyd A. Stern"

CHARTERED ACCOUNTANT

CHARTERED ACCOUNTANT

"Floyd A. Stern"

Director

"Gordon McLaughlin"

"J. M. Cunningham-Dunlop" Director

This is the Balance Sheet referred to in my report to the Directors dated November 25, 1958.

The Board of Directors:
Approved on behalf of,

2. Cost is based on valuation of 10¢ per share placed on 900,000 shares of the Parent company's capital stock issued under agreement dated October 9, 1958 in consideration of the purchase of 198,000 shares of the Subsidiary company's capital stock.

NOTE: 1. The accounts of the Subsidiary Company have been converted at the rate of \$1.25 Canadian per 1,000 Chilean Pesos.

\$105,212.32		900,000
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90,000.00	90,000.00	900,000 shares
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Subsidiary Company's capital

For 198,000 shares of the

5 shares

\$ 2.00

Issued as fully paid:

a total consideration exceeding \$3,000,000.

5,000,000 no par value shares, not to be issued for

Capital Stock

Authorized:

CAPITAL

TOTAL LIABILITIES

15,207.32

2.22

10,919.52

4,285.25

Interest of minority shareholders
Loans payable (Deferred) - Howard Steven Strouth
Provision for incorporation and organization expenses

LIABILITIES

TOTAL ASSETS

\$105,212.32

89,750.22

Excess of cost (Note 2) of Subsidiary's stock over book value thereof

4,358.54

1,299.39

\$ 9,803.87

Cash on hand and in bank
Mining properties, at cost to Subsidiary Company
Deferred incorporation and organization expenses

ASSETS

CONSOLIDATED BALANCE SHEET AS AT OCTOBER 30, 1958

COMPANIA MINERA SAN FELICE

and its subsidiary

ANDACOLLO MINING COMPANY LIMITED